

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Service Quality, Customer Satisfaction,	)	WC Docket No. 08-190
Infrastructure and Operating Data Gathering	)	
	)	
Petition of AT&T Inc. for Forbearance	)	WC Docket No. 07-139
Under 47 U.S.C. § 160(c) From	)	
Enforcement of Certain of the Commission's	)	
ARMIS Reporting Requirements	)	
	)	
Petition of Qwest Corporation for	)	
Forbearance from Enforcement of the	)	
Commission's ARMIS and 492A	)	
Reporting Requirements Pursuant to 47	)	
U.S.C. § 160(c)	)	
	)	
Petition of the Embarq Local Operating	)	WC Docket No. 07-204
Companies for Forbearance Under	)	
47 U.S.C. § 160(c) From Enforcement	)	
of Certain of ARMIS Reporting	)	
Requirements	)	
	)	
Petition of Frontier and Citizens ILECs	)	
for Forbearance Under 47 U.S.C. § 160(c)	)	
From Enforcement of Certain of the	)	
Commission's ARMIS Reporting	)	
Requirements	)	
	)	
Petition of Verizon for Forbearance	)	WC Docket No. 07-273
Under 47 U.S.C. § 160(c) From Enforcement	)	
of Certain of the Commission's	)	
Recordkeeping and Reporting Requirements	)	
	)	
Petition of AT&T Inc. For Forbearance	)	WC Docket No. 07-21
Under 47 U.S.C. § 160 From Enforcement	)	
of Certain of the Commission's	)	
Cost Assignment Rules	)	

To: The Commission

## **COMMENTS OF HUGHES NETWORK SYSTEMS, LLC**

### **I. INTRODUCTION**

Hughes Network Systems, LLC (“Hughes”) submits these comments in the above-captioned proceeding to respond to the Notice of Proposed Rule Making (“*Notice*”). In the *Notice*, the Commission seeks comment on extending to all facilities-based providers of broadband or telecommunications certain reporting requirements that currently apply only to telecommunications providers.<sup>1</sup> The exact components of the Commission’s proposed information collection are not entirely clear, but are proposed to be comprised of data currently collected from telecommunications providers in ARMIS Reports 43-05 (Service Quality Report), 43-06 (Customer Satisfaction Report), 43-07 (Infrastructure Report), and 43-08 (Operating Data Report).<sup>2</sup> The Commission further seeks comment on the proper mechanism for its proposed expanded data collection initiative and tentatively concludes that the infrastructure and operating data information should be reported on FCC Form 477, Local Telephone Competition and Broadband Reporting Form, which permits providers to confidentially submit information.<sup>3</sup>

Hughes is the largest satellite Internet access provider to the North American consumer market, providing satellite broadband connectivity to more than 400,000 consumer and small business subscribers through its HughesNet® service. Hughes is also the global leader in providing broadband satellite network solutions for large enterprises and governments. Hughes’s customers use its network equipment and services for Internet and intranet access, voice services,

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<sup>1</sup> *In the Matter of Service Quality, Customer Satisfaction, Infrastructure and Operating Data Gathering*, Memorandum Opinion and Order and Notice of Proposed Rulemaking, FCC 08-023 at ¶¶ 33-36 (rel. Sept. 6, 2008) (*Notice*).

<sup>2</sup> *Id.* at ¶¶ 34-35.

<sup>3</sup> *Id.* at ¶ 36.

private networking, connectivity to suppliers, franchisees and customers, credit authorization, inventory management, content delivery and video distribution to enterprises.

Without taking a position on the Commission's initiative as a whole, Hughes urges the Commission to conclude that it would be inappropriate and unproductive to impose the proposed, additional data collection requirements on satellite broadband providers. The collection of additional data would be very costly and time-consuming for satellite broadband providers, who function under different technological constraints and business models than terrestrial providers. Satellite broadband providers are also already subject to a variety of Commission reporting requirements and there is currently another pending, additional data collection proposal at the Commission.<sup>4</sup> The proposed increased data reporting requirement based on the ARMIS reports would place a heavy burden on satellite broadband providers that is not offset by the limited insights that the Commission would gain from the information collected.

## **II. DISCUSSION**

The rationales for collecting the data in these ARMIS reports are inapplicable to satellite broadband providers. The Memorandum Opinion and Order accompanying the *Notice* explains:

The Commission established [these] ARMIS reports in order to monitor two potential concerns raised by price cap regulation: first, that carriers might lower quality of service, instead of being more productive, in order to increase short term profits; and second, that carriers might not spend money on infrastructure development.<sup>5</sup>

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<sup>4</sup> See *Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Services to All Americans, Improvement of Wireless Broadband Subscribership Data, and Development of Data on Interconnected Voice over Internet Protocol (VoIP) Subscribership*, WC Docket No. 07-38, Report and Order and Further Notice of Proposed Rulemaking, FCC 08-89 at 19, ¶¶ 34-35 (rel. June 12, 2008) (seeking to collect more detailed data on broadband geographic availability, subscriber service speeds and price information). See also *Comments of Hughes Network Systems, LLC*, WC Docket No. 07-38 filed on July 17, 2008 (explaining that the inherent differences between satellite and terrestrial broadband providers make the imposition of the proposed data collection requirements on satellite providers very burdensome without any significant resulting benefit to the Commission or the public).

<sup>5</sup> *Notice* at ¶ 2.

Unlike telecommunications companies that provide terrestrially-based broadband services, satellite broadband providers are not subject to price cap regulation and they regularly spend millions of dollars to build, replace and service their satellite and earth station infrastructure that provides nationwide service.

These companies, of which Hughes is one, have every incentive to maximize their quality of service as their ability to survive and thrive in a very competitive marketplace, despite limitations on bandwidth and power that terrestrial providers do not face, depends on it. Currently, there are three satellite providers of broadband Internet access serving the residential and small business market segments in the United States (“U.S.”), including Hughes.<sup>6</sup> In the past two years, several of these satellite providers, including Hughes, have launched new satellites with higher data transfer speeds.<sup>7</sup> Hughes’s new Spaceway 3 satellite also provides service coverage for all of the contiguous U.S (excluding Alaska and Hawaii) making its HughesNet® broadband service available to more than 99% of all U.S. residents.

The proposed collection of industry-wide data related to service quality and customer satisfaction is duplicative and unnecessary for satellite broadband providers, and collection of this data from satellite providers would not serve the Commission’s stated goals. The Commission already maintains various means to collect industry-wide data related to providers’ service quality and customer satisfaction. The Memorandum Opinion and Order accompanying the *Notice* states:

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<sup>6</sup> The other two satellite broadband providers are WildBlue Communications and Starband, a subsidiary of Gilat Satellite Networks. See *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, Fifth Report, FCC 08-88 at 14, ¶ 24, n.72 (rel. June 12, 2008) (706 Report).

<sup>7</sup> See 706 Report at 14-15, ¶ 24, n.75.

[The Commission] recognize[s] the presence of other safeguards and sources of information that help protect consumers. For example, the Commission requires all communications providers to file outage reports [pursuant to Part 4 of the Commission's Rules]. Additionally, the Commission recently adopted significant refinements to its industry-wide broadband and local competition data collections. In addition, when the Commission last sought comment on ARMIS Report 43-06 [on customer satisfaction]...it observed that "[a]ctual complaint information may be a better indicator of trends in service quality than" the surveys reported through ARMIS Report 43-06.<sup>8</sup>

The Commission's Consumer and Governmental Affairs Bureau operates a user-friendly online consumer complaint service, which has a pre-defined category for internet access service quality problems.<sup>9</sup> Moreover, there are non-governmental organizations that produce reports on consumer satisfaction<sup>10</sup> and consumers regularly and publicly share their complaints on the Internet.<sup>11</sup> Recently, the President signed a new law, the Broadband Data Improvement Act, which, among other things, requires the Commission to survey broadband customers about their satisfaction with and the service quality of their broadband providers.<sup>12</sup>

Expanding the collection of data reported in the ARMIS Infrastructure and Data Operating Reports 43-07 and 43-08 to satellite broadband providers is also needless. Satellite technology is extremely different from terrestrial facilities, and drawing general comparisons based on the data in these reports would not be useful to the Commission in its policymaking. Specifically, the data collected by these reports is based on telephone lines, switching facilities,

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<sup>8</sup> Notice at ¶ 13.

<sup>9</sup> File A Complaint at <http://esupport.fcc.gov/complaints.htm> (last visited Oct. 31, 2008).

<sup>10</sup> See e.g., the Better Business Bureau at [www.bbb.org](http://www.bbb.org) (providing consumer information and logging consumer complaints), Consumer Reports at [http://www.consumerreports.org/cro/electronics-computers/computers-internet/internet-and-other-services/internet-service-providers/internet-service-providers-2-07/overview/0207\\_isp\\_ov\\_1.htm](http://www.consumerreports.org/cro/electronics-computers/computers-internet/internet-and-other-services/internet-service-providers/internet-service-providers-2-07/overview/0207_isp_ov_1.htm) (evaluating internet service providers)(last visited Oct. 31, 2008).

<sup>11</sup> See, e.g., [www.complaints.com](http://www.complaints.com) and [www.complaintsboard.com](http://www.complaintsboard.com).

<sup>12</sup> Public Law 110-385 (Oct. 10, 2008), see *Consumer Survey of Broadband Service Capability* (citing Senate Bill 1492, Section 103(c)(enrolled version of the bill)). The official text of the Public Law is not yet available from the Government Printing Office.

and terrestrial transmission technology,<sup>13</sup> all of which are completely different from the facilities (satellites, transponders, and earth stations) used by satellite broadband providers, and thus will prevent or inhibit “apples to apples” comparison of the results. The aim of the Commission’s *Notice* is to gather industry-wide data to be able to compare similarly-situated classes of providers. However, satellite broadband providers are not at all similarly situated to terrestrial providers. Therefore, collecting additional data from satellite providers as proposed in the *Notice* will impose significant burdens on satellite providers to collect data that will be of no real use to the Commission or public.

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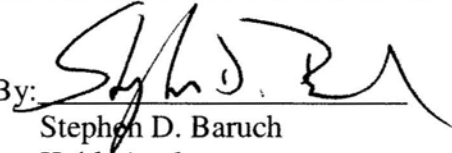
<sup>13</sup> *Notice*, Appendix A at 3.

### **III. CONCLUSION**

On the basis of the foregoing discussion, Hughes urges the Commission not to impose additional data collection requirements on satellite broadband providers. Satellite providers possess different technology and business models that both make such requirements very burdensome and render much of the data to be generated of limited utility. The proposed measures are simply not useful for the Commission in its efforts to ensure that broadband providers in the United States are meeting consumers' needs in terms of service quality, and customer satisfaction and to ensure that broadband providers are continuing to develop their infrastructure and expand their operations.

Respectfully submitted,

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